

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

In the Matter of:

| | | |
|--|---|---------------|
| THE APPLICATION OF THE LAKE VILLAGE |) | |
| WATER ASSOCIATION, INC., A NON PROFIT |) | |
| WATER ASSOCIATION, ORGANIZED PURSUANT |) | |
| TO CHAPTER 273 OF THE KENTUCKY REVISED |) | |
| STATUTES FOR: (1) A CERTIFICATE OF |) | |
| PUBLIC CONVENIENCE AND NECESSITY |) | |
| AUTHORIZING AND PERMITTING SAID WATER |) | CASE NO. 7969 |
| ASSOCIATION TO CONSTRUCT A WATER MAIN |) | |
| EXTENSION CONSISTING OF THE LAYING OF |) | |
| A SIX INCH REPLACEMENT LINE TO SERVE |) | |
| EXISTING MEMBERS OF THE ASSOCIATION |) | |
| AND (2) APPROVAL OF THE PROPOSED PLAN |) | |
| FOR FINANCING OF SAID EXTENSION |) | |

O R D E R

Preface

On September 15, 1980, the Lake Village Water Association (hereinafter referred to as the "Utility") filed with the Commission its duly verified application seeking a certificate of public convenience and necessity authorizing the construction of improvements to its existing water distribution system and approval of the method of financing.

The case was set for hearing at the Commission's offices in Frankfort, Kentucky, January 6, 1981. All parties of interest were notified and no protests were entered. At the hearing, certain requests for additional information were made by the Commission staff. This information has been filed and the entire matter is now considered to be adequately submitted for a final determination by this Commission.

A copy of a letter from the Sanitary Engineering Division of the Kentucky Department for Natural Resources and Environmental Protection approving the Utility's plans and specifications for the proposed project is on file with this Commission.

Findings in this Matter

The Commission, after a review of the record and being advised, is of the opinion and FINDS:

1. That public convenience and necessity requires the construction of certain improvements to the Utility's existing water distribution system in the area defined by the application and exhibits filed in this matter.

2. That the \$44,612.57 construction project proposed by the Utility consists of approximately 1.75 miles of 6" water line to replace the existing 1.75 miles of 2" water line now serving the Herrington Woods area.

3. That any construction deviations from the contract plans and specifications, herein approved, which could adversely affect service to any customer shall be subject to the prior approval of this Commission.

4. That the \$44,612.57 project cost will be provided from a reserve fund that is maintained by the Utility for this type of construction project. This expenditure of \$44,612.57 by the Utility is for lawful objects within the corporate purposes of the Utility; is necessary and appropriate for and consistent with the proper performance by the Utility of its service to the public and will not impair its ability to perform that service.

5. That the Utility should furnish the Commission with duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within sixty (60) days of the date that construction is substantially completed.

6. That the contract between the Utility and the Engineer should require the Engineer to provide general engineering supervision and full-time resident inspection to insure that the construction work conforms to the best construction practices and is done in accordance with the contract plans and specifications.

7. That within sixty (60) days of the date of substantial completion of this construction, the Utility should require the Engineer to furnish this Commission with a copy of the As-Built Plans and a certification that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

Orders in this Matter

The Commission, on the basis of the matters hereinbefore set forth and the evidentiary record in this case:

HEREBY ORDERS that the Utility be and it is hereby granted a certificate of public convenience and necessity to construct a water main extension project consisting of 1.75 miles of six-inch pipe to provide better service to residents of the Herrington Woods area in accordance with the contract plans and specifications filed in this matter. The existing two-inch pipe is to be abandoned.

IT IS FURTHER ORDERED that any construction deviations from the contract plans and specifications, herein approved, which could adversely affect service to any customer, shall be subject to the prior approval of this Commission.

IT IS FURTHER ORDERED that the Utility be and it is hereby authorized to finance this construction project with \$44,612.57 from a reserve fund maintained by the Utility for this type of project. Further, that this \$44,612 in project funds shall be used only for the lawful objects as set forth in the application.

IT IS FURTHER ORDERED that the Utility shall file with the Commission a duly verified document or documents which show the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within sixty (60) days of the date that construction is substantially completed.

IT IS FURTHER ORDERED that the contract between the Utility and the Engineer shall require the Engineer to provide general engineering supervision and full-time resident inspection to insure that the contractor's construction work conforms to the best construction practices and is done in accordance with the contract plans and specifications.

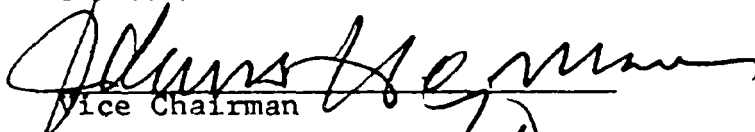
IT IS FURTHER ORDERED that the Utility shall require the Engineer, within sixty (60) days of the date of substantial completion of the proposed construction, to furnish this Commission with a copy of the "As-Built Plans" and a certification that the construction has been satisfactorily completed and was done in accordance with the contract plans and specifications.

Nothing contained herein shall be deemed a warranty by the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 23rd day of January, 1981:

UTILITY REGULATORY COMMISSION

Did Not Participate
Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary